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# HOUSE BILL No. 1223

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-6-1.1-301; IC 6-6-2.5-30.

**Synopsis:** Gasoline and special fuel tax exemption. Exempts from the gasoline tax and the special fuel tax any gasoline and special fuel that is purchased by a political subdivision and used for a governmental purpose.

**Effective:** Upon passage.

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January 10, 2006, read first time and referred to Committee on Ways and Means.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## HOUSE BILL No. 1223

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 6-6-1.1-301 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 301. The following transactions are exempt from the gasoline tax:

(1) Gasoline exported from Indiana to another state, territory, or foreign country.

(2) Gasoline sold to the United States or an agency or instrumentality thereof.

(3) Gasoline sold to a post exchange or other concessionaire on a federal reservation within Indiana. However, the post exchange or concessionaire shall collect, report, and pay to the administrator any tax permitted by federal law on gasoline sold.

(4) Gasoline used by a licensed distributor for any purpose other than the generation of power for the propulsion of motor vehicles upon the public highways.

(5) Gasoline received by a licensed distributor and thereafter lost or destroyed, except by evaporation, shrinkage, or unknown cause, while the distributor is still the owner.



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**(6) Gasoline sold to an Indiana political subdivision and used for a governmental purpose.**

SECTION 2. IC 6-6-2.5-30 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. (a) The following are exempt from the special fuel tax:

(1) Special fuel sold by a supplier to a licensed exporter for export from Indiana to another state or country to which the exporter is specifically licensed to export exports by a supplier, or exports for which the destination state special fuel tax has been paid to the supplier and proof of export is available in the form of a destination state bill of lading.

(2) Special fuel sold to the United States or an agency or instrumentality thereof.

(3) Special fuel sold to a post exchange or other concessionaire on a federal reservation within Indiana. However, the post exchange or concessionaire shall collect, report, and pay quarterly to the department any tax permitted by federal law on special fuel sold.

(4) Special fuel sold to a public transportation corporation established under IC 36-9-4 and used for the transportation of persons for compensation within the territory of the corporation.

(5) Special fuel sold to a public transit department of a municipality and used for the transportation of persons for compensation within a service area, no part of which is more than five (5) miles outside the corporate limits of the municipality.

(6) Special fuel sold to a common carrier of passengers, including a business operating a taxicab (as defined in IC 6-6-1.1-103(l)) and used by the carrier to transport passengers within a service area that is not larger than one (1) county, and counties contiguous to that county.

(7) The portion of special fuel determined by the commissioner to have been used to operate equipment attached to a motor vehicle, if the special fuel was placed into the fuel supply tank of a motor vehicle that has a common fuel reservoir for travel on a highway and for the operation of equipment.

(8) Special fuel used for nonhighway purposes, used as heating oil, or in trains.

(9) Special fuel sold by a supplier to an unlicensed person for export from Indiana to another state and the special fuel has been dye additized in accordance with section 31 of this chapter.

(10) Sales of transmix between licensed suppliers.

**(11) Special fuel sold to an Indiana political subdivision and used for a governmental purpose.**

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1 (b) The exemption from tax provided under subsection (a)(4)  
2 through (a)(7) shall be applied for through the refund procedures  
3 established in section 32 of this chapter.

4 (c) The department shall provide information to licensed suppliers  
5 of the destination state or states to which exporters are authorized to  
6 export.

7 (d) Subject to gallonage limits and other conditions established by  
8 the department, the department shall provide for refund of the tax  
9 imposed by this chapter to a wholesale distributor exporting undyed  
10 special fuel out of a bulk plant in this state in a vehicle capable of  
11 carrying not more than five thousand four hundred (5,400) gallons if  
12 the destination of that vehicle does not exceed twenty-five (25) miles  
13 from the border of Indiana.

14 SECTION 3. **An emergency is declared for this act.**

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